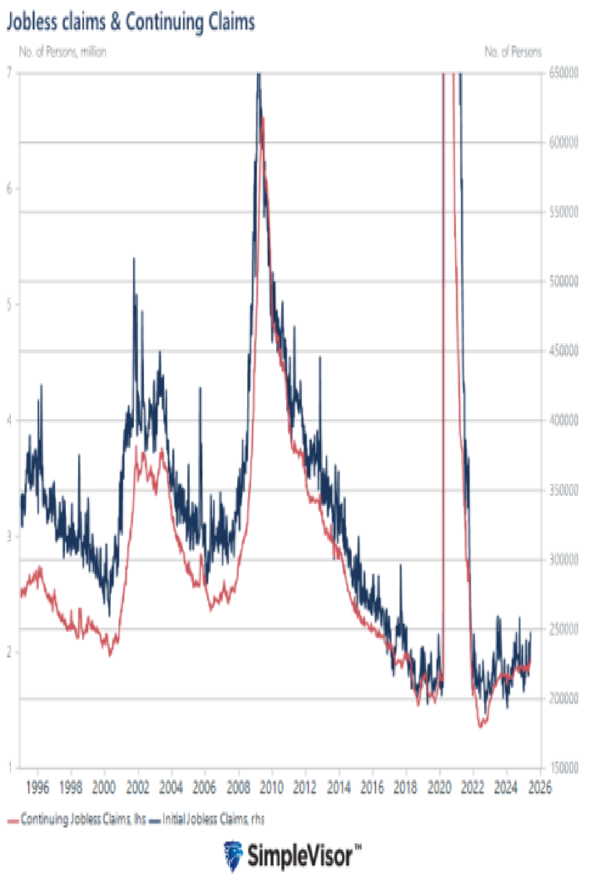
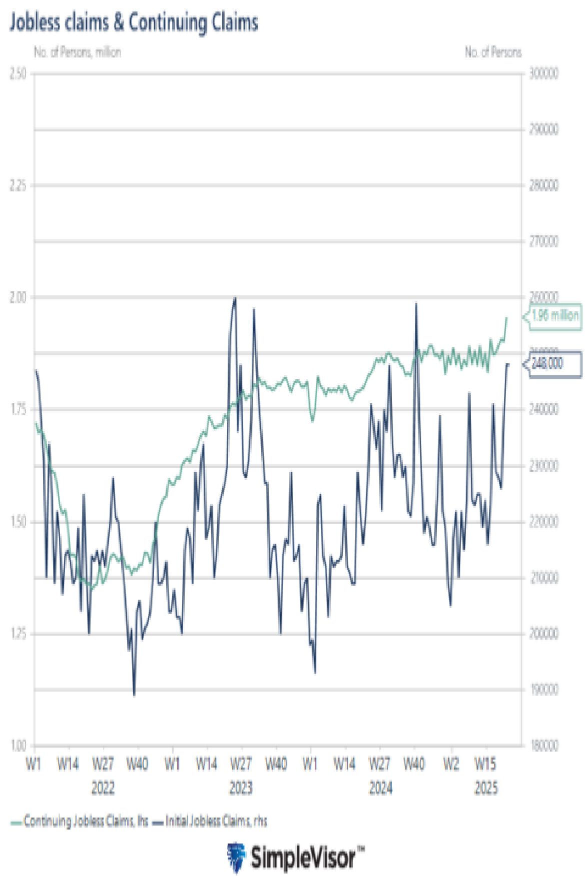
Initial And Continuing Jobless Claims On The Rise

Initial and continuing jobless claims are as close to a real-time proxy on employment as we have. Thus, while they do not hold the same importance to the markets as the monthly BLS data, they are worth tracking. Moreover, when trends are changing, as they may be now, their importance increases. The two graphs below provide perspective on long-term and more recent trends in initial and continuing jobless claims.

The graph on the left provides a long-term perspective on current initial and continuing claims data. The recent increase in both data points is perceptible but very minor when looking back over the last thirty years. However, it is worth noting that initial claims and continuing claims are above those levels preceding the pandemic. Second, jobless payments from states have not kept up with inflation. Thus, it is widely believed that fewer people are making claims as they can earn more freelancing in gig-economy jobs like Uber and DoorDash.

The short-term graph on the right is a little more concerning. As shown, continuing jobless claims are at a three-year high, while initial claims are near similar highs. The rise in continuing claims suggests that individuals filing claims are having a tougher time finding new employment. While the initial and continuing claims will not keep the Fed up at night, they are certainly taking note of the rising trends and concurrent weakening in the monthly BLS data.





What To Watch Today

Earnings

- *No earnings releases today*

Economy

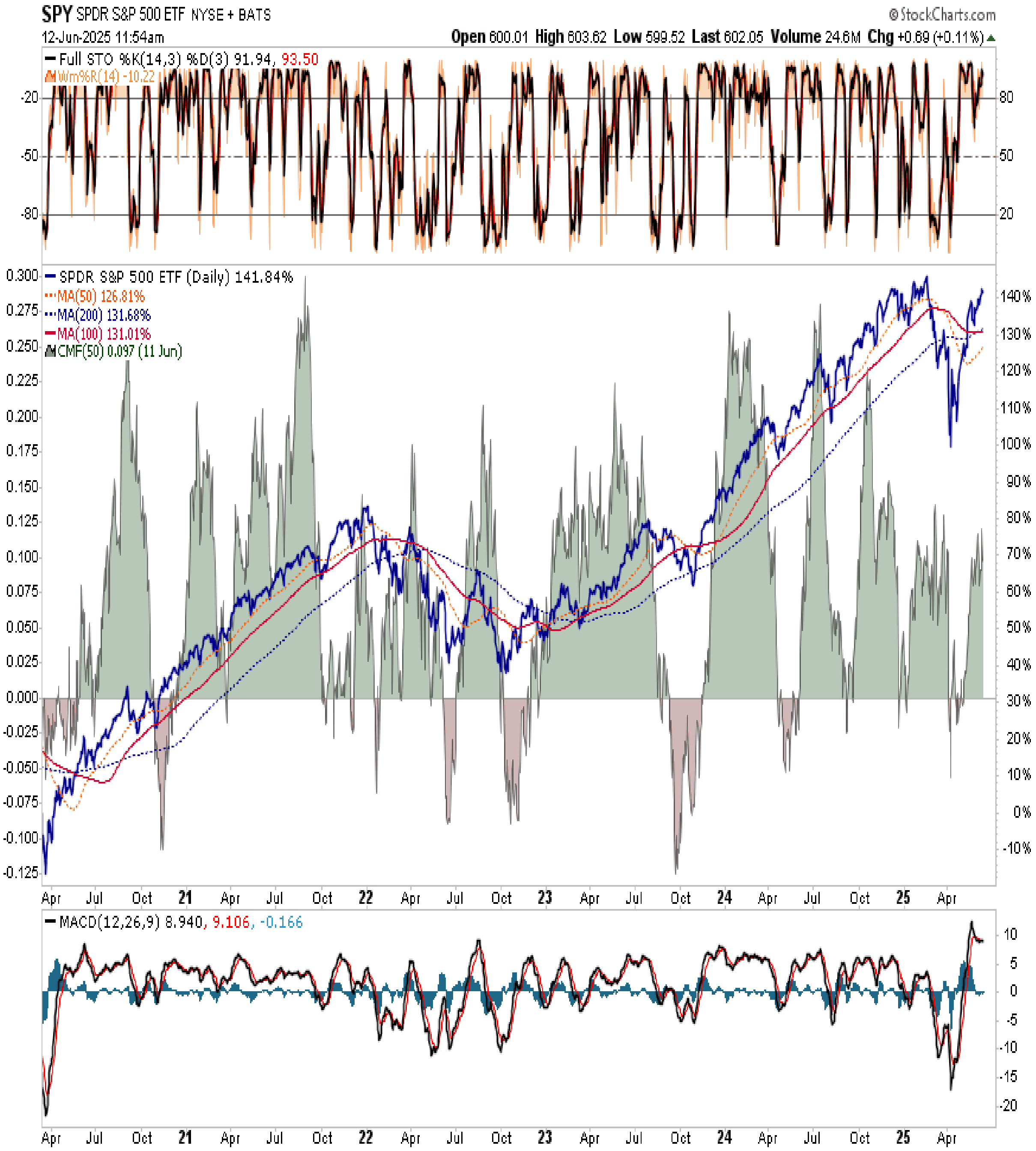
Friday June 13 2025			Actual	Previous	Consensus	Forecast
09:00 AM	US	Michigan Consumer Sentiment Prel JUN		52.2	53.5	52.1
09:00 AM	US	Michigan 5 Year Inflation Expectations Prel JUN		4.2%		4.2%
09:00 AM	US	Michigan Consumer Expectations Prel JUN		47.9		48
09:00 AM	US	Michigan Current Conditions Prel JUN		58.9		58.8
09:00 AM	US	Michigan Inflation Expectations Prel JUN		6.6%		6.6%

Market Trading Update

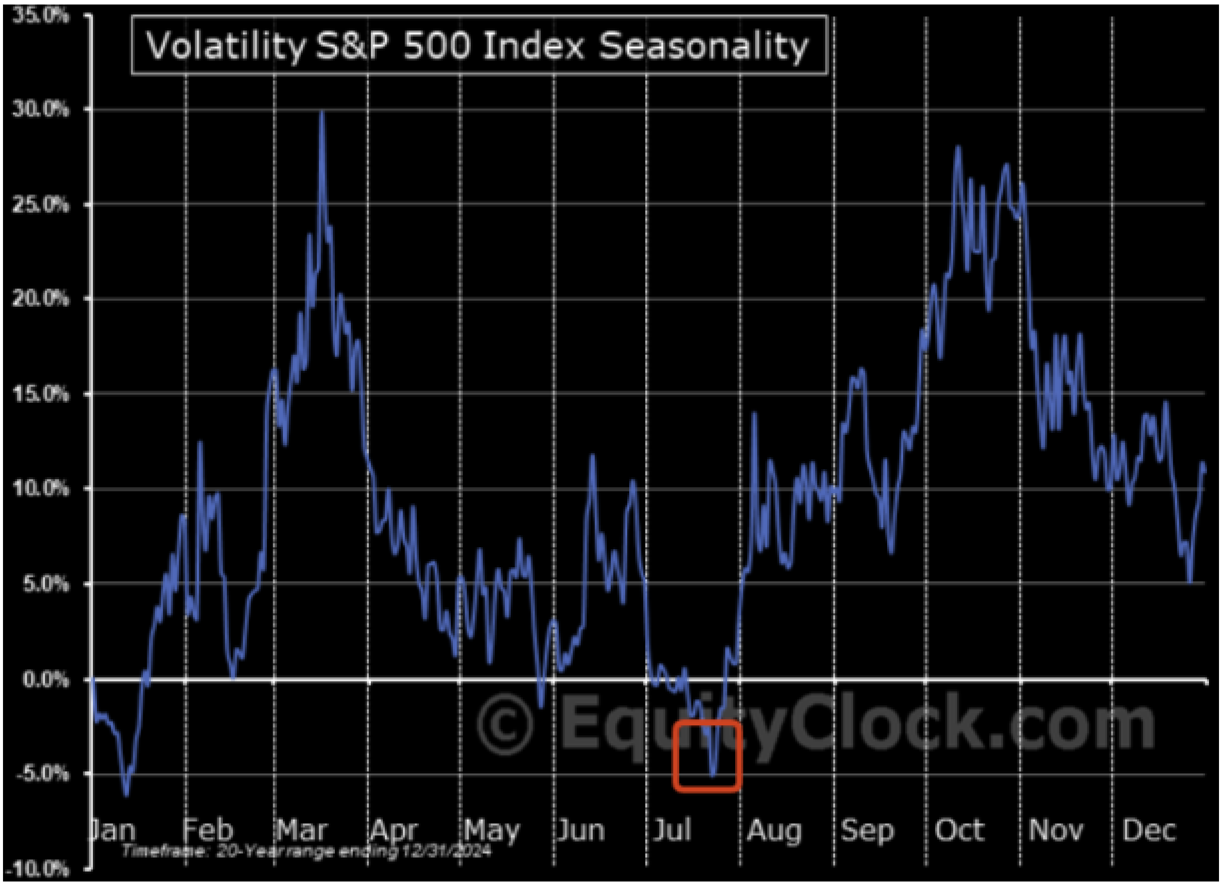
Yesterday, we discussed the rapid recovery of the *?big 3?* indices, which bodes well for future returns. However, that does not mean the market won?t have a short-term correction or correlation to provide a better risk-reward entry point for investors to add exposure. As Mike and I discussed on the&#2013266080;***#RealInvestmentShow*** yesterday morning***,*** we are willing to remain patient before deploying cash.

> *?The market remains overbought short-term, but it is not uncommon for markets to stay overbought longer than most expect. While we patiently await a pullback to increase portfolio exposure, that could be a while longer before it occurs.*
>
> ***Critically, we are not looking for LOWER prices to add exposure. I am okay with paying higher prices.*** *However,&#2013266080;we are searching for a better risk/reward opportunity to add exposure.&#2013266080;As such, a consolidation period that allows relative strength or momentum to cool off somewhat will provide a better buying opportunity than under current conditions. We already have sufficient exposure to the market to gain performance when markets rise,* ***but deploying capital at these levels is more ?risky? than I prefer.?***

With the market still overbought on multiple measures, but back onto bullish buy signals, the risk/reward of investing capital at these levels is not optimal. However, a pullback to moving average support levels that reduce the short-term overbought conditions will significantly improve investment outcomes. However, the patience of *?waiting?* is the hard part.



Why will the market pull back? There are many reasons, including the ongoing supply/demand imbalance, the reduction of corporate share buybacks, and the continuing risk from tariff negotiations. With earnings season about to restart, there is also a risk of disappointment as the economy continues to slow. As I noted on&#2013266080;***?X?***&#2013266080;yesterday, we are also entering into a seasonally weak stretch for equity prices, which could translate into a pickup in volatility.



While it may seem the market won?t quit going up, remember it will. The patience is the hard part.

PPI Underwhelms

Like CPI, PPI was weaker than expected. PPI and Core PPI rose by 0.1%, below expectations of 0.2% and 0.3%, respectively. March and April were revised higher, with April changing from -0.5% to -0.2%, and May increasing from -0.4% to 0%. As shown below, the annualized three-month change in PPI, incorporating the current data and revisions, is -0.74%. For comparison, the CPI is running just north of 1%.

From a tariff perspective, PPI is likely to show tariff impacts before CPI. Typically, price changes flow through PPI to CPI, as PPI measures the prices of raw goods that manufacturers use to create their final products, which are then sold to other corporations or individuals. You can also think of the difference in the change of PPI and CPI as a proxy for corporate profit margins. The initial take, from a tariff perspective, is that the foreign sellers of the goods are eating the cost of the tariffs. Obviously, it will take a few more months of data to fully appreciate the full impact.

Financial Planning For Business Owners

Running a successful business takes grit, vision, and no shortage of time. Between managing operations, leading teams, and scaling growth, personal financial planning often gets pushed to the back burner. When business owners do seek help, they typically turn to their CPA for advice. And while CPAs are invaluable for accounting and tax compliance, they?re not able to cover every financial angle you face as a business owner.

To protect your personal wealth and ensure your financial future, you need more than a CPA?you need a financial advisor who understands your unique position. This partnership is essential for long-term planning, risk mitigation, investment growth, and wealth transfer strategies that extend well beyond taxes.

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